

M/027/007
Drum Mine

3800
UT054

December 14, 1990

E. B. King
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Dear Mr. King:

On November 16, 1990, an inspection was conducted of the Jumbo Mine in Millard County, Utah. Phil Allard of my staff represented the BLM and Dave Hartshorn represented Jumbo Mining. I have enclosed a copy of the inspection report for your information.

You will note that we estimate that about 150 acres are currently disturbed on federal land for this project. We understand that the reclamation responsibility for this mine is shared between your organization and Western States Minerals. We also understand that this responsibility is one of the issues presently being litigated by these two organizations. Please advise us if the reclamation responsibility of your organization is changed as a result of this litigation.

The inspection did not identify any issues that require your immediate attention. There are additional issues that may need to be addressed in the coming year which may not presently be priorities of your operation.

The first is related to underground storage tanks. The State of Utah has recently obtained primacy for the enforcement of the Underground Storage Tank regulations promulgated by the EPA under the Resource Conservation and Recovery Act (RCRA). There are underground storage tanks at your facility. Your organization will be required to comply with these regulations. This will require periodic testing of the integrity of your tanks and could require that the tanks be removed. More information on the requirements of these regulations can be obtained from:

Bureau of Environmental Response and Remediation
288 North 1450 West
P.O. Box 16590
Salt Lake City, Utah
84116-0690
(801) 538-6338

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DIVISION OF
OIL, GAS & MINING

According to this Bureau, you will not be able to receive fuel after July 1, 1991 if you do not have a Certificate of Compliance from the State. The second concerns general housekeeping at the mine facility. Usable equipment, junk vehicles, abandoned trailers, broken PVC piping, and other odds and ends are scattered about the property. Some of this material is on areas that are presently the responsibility of Western States Mining. Some of it is on areas that are Jumbo's responsibility. We understand that during mining a ready source of spare parts for equipment is necessary. We request that you consider defining specific areas within the mine for the storage of equipment that is not in use and for equipment that is used for salvaged parts. We encourage you to remove to an approved landfill, materials for which the mine has no further use. Please be advised that we will require that all scrap metal, junk, and PVC tubing be removed as part of reclamation upon closure of the mine. The only onsite disposal which might be allowed are the liners under the leach pads, the pond liner and any concrete footings and foundations of buildings. Removal of junk and trash during operations while there is cash flow from the mine could be easier for your operation than waiting until mine closure.

original & photo

After the inspection was completed the topsoil inventory of the Mizpah Pit as required in the approval of your Amendment to the Plan of Operations was conducted. During this inventory it was determined that 8,300 cubic yards of soil were available for salvage and use in reclamation. A map showing the location of this topsoil is enclosed.

Should you have any questions regarding this letter, please feel free to contact Phil Allard at (801) 743-6811.

Sincerely,

Rex Rowley
Area Manager

Enclosures:

As stated above

cc: Michael Jackson, RDO

Wayne Haderberg, Division of Oil, Gas, and Mining

PAI:ard:mfr
0002F

3809 FIELD INSPECTION FORM

DATE OF INSPECTION 11/16/90 TIME 10:30 am CASE SERIAL NO. VT-056-7PLOCATION: Township 15 S, Range 10 W, S.L.M.
Section , Subdivision 6, 7, 8, 16 (parts of each)
Section , Subdivision INSPECTOR P. Allard DISTRICT & RESOURCE AREA House Range / RichfieldClaimant Name Jumbo Mining Co. Present During Inspection: Yes / NoOperator Name Jumbo Mining Co. Present During Inspection: Yes / NoOthers at Inspection: Dave Hartshorn, Mine ManagerIs the Operation Active? yesMSHA PERMIT NO. Is Permit Current? yes *Permit status and/or MSHA status*DOE PERMIT NO. NO Is Permit Current? DNR PERMIT NO. Department of Health Is Permit Current? NOCOUNTY SANITATION PERMIT NO. NO Is Permit Current? OTHER PERMITS: UDOGM, M/027/007 - current, under revision

Indicate type of operations being conducted:

EXPLORATION

- ☒ Claim staking
- ☒ Clearing of timber or other vegetation
- ☒ Drill pads
- ☒ Drill holes (Plugged? yes / no)
- ☐ Trenches
- ☐ Test Pits
- ☐ Bulk Sampling Sites
- ☐ Reopened Old Adits/Shafter (Gated? yes / No)
- ☐ New Adits/Shafter (Gated? Yes / No)
- ☐ Explosive Use or Storage
- ☐ New Roads Constructed
- ☐ Other (Describe on General Comments)

MILLING

- ☒ Milling or Processing Facilities
- ☒ Leaching Pad and/or Ponds
- ☐ Powerlines
- ☒ Hazardous Materials Present
- ☒ Fuel Tanks (Above/ Below Ground)
- Amount Stored gallons or cf
- Is Site Lined? NO Bermed? NO
- ☐ Additional Roads
- ☐ Other (Describe on General Comments)

MINING

- ☒ Underground Mine (Gated? Yes / NO)
- ☒ Mine Dumps
- ☒ Surface Mine
- ☐ Placer Mine
- ☐ Tailings Pond
- ☐ Ore Stockpile
- ☐ Overburden Stockpiles
- ☒ Waste Stockpiles
- ☒ Vehicle Yarding Area
- ☐ Adits/Shafter in Operation
- ☐ Explosives Use or Storage
- ☐ New Roads Constructed
- ☒ Hazardous Materials Stored or in Use.
- ☐ Other (Describe on General Comments)

STRUCTURES

- ☒ Temporary Camp Trailers
- ☐ Buildings on Skids
- ☒ Structures or Bldgs. Affixed to Land
- ☐ Other Camp Facilities
- ☐ Sanitary Facilities
- ☐ Full Time Occupancy of Site
- ☐ Seasonal or Temporary Occupancy
- ☒ Occupancy Identified in Notice/Plan
- ☐ Other (Describe on General Comments)

ACCESS:

Is public access allowed through site (e.g., no gates)? NO.

Describe how access is blocked: gate. area is also signed

Describe the location of all new and existing access routes considered to be part of this project area and show their locations on the attached inspection map:

no new roads. see map in file from 3/13/90 inspection
and Mizpah Pit plan amendment for location of
disturbed areas

Describe the specifications of the **roads** (length, width of roadbed, total disturbed width from top of cuts to toe of sidecast, type of surfacing, presence and frequency of berms, ditches, culverts, water bars, etc.): Specifications of haul

roads vary. All are in good condition. There are
numerous flat bladed drill roads at the site of the future Mizpah
pit. About 2/3 of this area has been disturbed.

Are any of the road cuts greater than 3 feet on the inside edge? Was this mentioned in the notice/plan? several haul roads have this. All was
mentioned.

Was topsoil saved and stockpiled? ☒ Yes / No / Not enough available

Describe all equipment found on site: vehicles, trailers, scrap metal, crusher,
air track, denver/gardner rotary rig / haul trucks / loaders / Backhoes

OPERATIONS:

Is the operation causing obvious erosion or other degradation? NO

What type of mining equipment is present? a wide variety of mining equipment
commonly used for underground and surface operations.

Are toxic or hazardous materials stored or used on site? ☒ Yes / No If yes, describe:

Cyanide is used and stored. Barron pond is kept at 10 ppm free CN

Does operator/claimant have DOE permit for HAZMAT use? Yes / ☒ No / Are the materials being stored/used in accordance with conditions of DOE permit? Yes / ☒ No (if no, document on Attachment for immediate notification of DOE). This permit is being negotiated with Department of Health. Operator is in compliance with Department of
Were weapons observed on site? Yes / ☒ No If yes, describe: Health conditions at this
However 30.06 casing were noted. Watchman time.
probably has weapon

RECLAMATION:

Has reclamation work reported by operator/claimant been completed: Yes / No

Tailings reshaped:	Yes	No	Streambeds reshaped:	Yes	No
Roads/Drill sites reshaped:	Yes	No	Topsoil respread:	Yes	No
Drill holes plugged:	Yes	No	Area reseeded:	Yes	No
Has seeding been Successful	Yes	<u>NO</u>			

Describe Condition of Vegetation (e.g., % coverage of disturbed area): only

plant in evidence is Halogeton

Area any noxious weeds present on the project area? Yes No Describe weeds and any measures taken by operator/claimant for control: Halogeton. Fall

Regrading with scarification is planned on an experimental basis

Is reclamation adequate to allow release of acreage? Yes NO

If not, what additional work is needed? extensive reclamation work
is still required

Total Cumulative Surface Disturbance from Past and Present Operations: 150^{*} Acres

Total Acreage Reported as Reclaimed, but not Acceptable for Deletion: 0 Acres

Total Acreage Reported as Reclaimed, and Accepted by BLM (not active): 0 Acres

Total Acreage Reported as Reclaimed, and Accepted by BLM (not active): 0 Acres

Total Active Acreage of Disturbance Under this Notice or Plan : 150^{*} Acres

Describe any Corrective Actions that must Take Place Immediately (including onsite instructions to operator): NONE

Were any obvious violations of other agency permits identified? Yes / NO If yes, describe permit and nature of violation:

GENERAL INSPECTION OBSERVATIONS AND COMMENTS:

* This is an approximate amount measured from maps. It includes the 1989 estimate by DORM for the mine/mill area, 21 acres for the Mizpah Pit (yet to be mined but significantly disturbed by exploration) and 4 acres estimated for various haul roads on BLM administered land. Some regrading has been completed but desirable perennial vegetation

GENERAL INSPECTION OBSERVATIONS AND COMMENTS (cont'd):

has not yet been established.

The mine is conducting a liner integrity test for the barren pond using a methodology designed by the Department of Health.

The mine is about to begin a seeding study on the ground using several different seed mixtures and seeding rates.

We visited the proposed site of a soil borrow area on patented mining claims. It appears that sufficient material
(continued; Next page)

OTHER LAND USE OBSERVED:

Are there any landfills or dumps for garbage, refuse, or other materials on site?

Yes / No If yes, describe: House keeping is not a priority for this operator.

Material which may be junk but may also be used as a source of spare parts is stored at various locations around the mine.

Is there any evidence of other public surface use or of potential trespass in the vicinity?:

<input type="checkbox"/> Livestock	<input type="checkbox"/> Mineral Material Removal
<input type="checkbox"/> Type: _____ Number Present _____	<input type="checkbox"/> Agriculture Developments
<input type="checkbox"/> ORV Use (Type: _____)	<input type="checkbox"/> Timber Removal (Other than Mining Use)
<input type="checkbox"/> Recreation Use (Type: _____)	
<input type="checkbox"/> Other Use: _____	

a band of 7 antelope were outside the gate. A small herd (10 animals) of deer were also seen

HOW MUCH TIME WAS SPENT ON SITE FOR THE INSPECTION? 16 hours.

Philip Allard
Signature of Inspector

Site is occupied 24 hours per day 7 days per week for security reasons.



Norman H. Bangerter

Governor

Suzanne Dandoy, M.D., M.P.H.

Executive Director

Kenneth L. Alkema

Director

State of Utah

DEPARTMENT OF HEALTH

DIVISION OF ENVIRONMENTAL HEALTH

288 North 1460 West

P.O. Box 16690

Salt Lake City, Utah 84116-0690

(801) 538-6121

December 13, 1990

DOGM
METALS PROGRAM
FILE COPY

RECEIVED
DEC 13 1990

DIVISION OF
OIL, GAS & MINING

Mr. Ed King
Jumbo Mining Company
6305 Fern Spring Cove
Austin, TX. 78730

RE: Leakage Testing of
Processing Ponds by MWBT

Dear Mr. King:

We received Mr. Hartshorn's submittal on November 30, 1990, regarding a set up for using the Minnesota Water Balance Test (MWBT) to determine seepage in the process ponds. We have the following concerns about the setup, and doing the testing now:

1. Freezing of water in the barrels, if any, could bias the tests, potentially indicating excess seepage. Status of the water in the barrels is, therefore, critical and should be recorded.
2. During winters, evaporation decreases to a slower rate. Daily changes in barrel water elevation due to evaporation could be very slight. Accuracy can be difficult without reliable measuring devices. This also makes any accidental contamination in the evaporation barrels important to avoid.

If you have any concerns on these issues please contact me or Mr. Kiran Bhayani.

Sincerely,

David A. Rupp, P.E.
Design Evaluation Section
Bureau of Water Pollution Control

DAR/rvg

cc: Mr. Hedberg, DOGM

JMC-MWBT

SURFACE INSPECTION
COMPLIANCE REPORT

Date of Inspection: 11/16/90

Case Serial No.: 44-56-78

Operator: Jumbo Mining Corporation

Project Description: Cyanide Heap Leach, Open Pit + Underground Mine

Legal Description: T15 S R 10 W

District and Resource Area: Richfield / House Range

Inspector: Phil Allard

REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

is available to obtain 50,000 cu yds in 2.5 to 5 acres.

We visited the site of the Mizpah pit and mapped the available soil material for salvages. Report of results filed separately. On some old drill roads it was noted that indian ricegrass and *Stipa comata* were growing vigorously. I also noted a shrub that is probably Shadscale (but might be fourwing salt bush). The site also appears similar to conditions at Continental Mine where blue bunch wheat grass (*Agropyron spretum*) has done well on disturbed areas.

Finally, we visited the site where the mine is considering building a new heap leach pad. An amendment to the mine plan will have to be submitted for this prior to construction.

The mine reported no wildlife mortalities due to cyanide. They said they had some use by birds, but the birds were not affected by the low level of cyanide which is maintained in the ponds.

Phil Allard
Signature of Inspector

Rex Lowrey
Signature of Authorized Officer

Cyanide level = 10 ppm pH = 11.5. Heaps are gravity draining at the rate of 1 gallon per minute. Ponds have about 12 feet of freeboard, adequate for winter shut down.